



# Exhibit A

Attachment to Reply Comments of Sean Murphy Feb 8, 2011  
CG Docket No. 10-207 / 09-158

# Self-Regulation Example

- This example illustrates that corporations are not capable of self-regulation, and that the FCC and courts are necessary to provide regulation that will protect against bill shock.

## Background:

- After many fruitless calls to customer service, the following presentation was emailed to T. Bartlett, Senior Vice President and Controller of Verizon Wireless on Feb 24, 2009.
- The initial response was a call early the next day, stating an investigation was underway and requesting I take no further action for the moment.
- I was then referred to executive customer support, and given a direct phone number to call. I was refunded roughly half of what I thought I was owed for the two incidents of this hidden subscription. I thus switched from Verizon to AT&T.
- Note the FCC was not involved, nor did I deem the dollar value worthy of wasting even more time with arbitration. This example illustrates that corporate profit comes first, and regulatory compliance comes only with enforcement.

# Verizon Wireless “Get it Now” downloads and Truth In Billing Compliance Issue

Sean R Murphy  
325 Washington Ave S #102  
Kent, WA 98032  
253-653-6522  
sean\_r\_murphy@yahoo.com

In January 2008, a Verizon Wireless subscriber dug into a \$3.49 data charge that had been appearing on his paper bill every month.

This claim went unresolved to the customer's satisfaction.

A year later, the same customer "got it again" with a another "Get it Now" subscription and is now elevating the issue with this presentation.

The following charts illustrate the 2008 issue, but the same story still holds true a year later in 2009.

# Misrepresented Charges

## Summary section of Bill

Logging on-line and downloading a detail 36 page bill, the subscriber found the following information on page 9:

Service Number: Account Number: Date Due: Page: 000096852 77377558-00001 03/15/08 9 of 32

Summary for Jennifer : 206-200-4

**Your Calling Plan**

America's Choice 2 Plan/late PM 2:00 Any Day  
 Monthly Cost (\$100.00 + Tax)  
 (\$100.00)

\$4.10 Calling Plan  
 Unlimited IN Calling (w/allow)  
 10 Bonus Minutes Provision  
 Unlimited Downloading  
 Unlimited Night & Weekend Use

**Charges**

Monthly Service Charge 0.00  
 Current Calling Plan Month (01/01 - 01/31) 0.00  
 Next Billing Plan (01/01 - 01/31) 0.00

**Usage Charges**

Usage Charge 0.75  
 Total 0.75

Port-in Number Charge 0.00  
 New Universal Number Charge 0.00  
 Regulatory Charge 0.00  
 Administrative Charge 0.00  
 (Plan of City Tax 0.00)

Total (Governmental Charges and Fees) 0.00

WA State 911 Fee 0.00  
 King County 911 Fee 0.00  
 WA State 911 Fee 0.00  
 King County 911 Fee 0.00  
 Seattle City 911 Fee 0.00

Total Current Charges for 01/01 - 01/31 0.00

**Usage Charges**

Usage	Allowance	Used	Billable	Cost
SharePlan	2100 (shared)	879	---	---
Promotional	---	143	---	---
IN Calling	unlimited	428	---	---
<b>Total Voice</b>				<b>\$0.00</b>
<b>Data</b>				
TXT Messaging - Sent	messages	8	8	1.20
TXT Messaging - Rcv'd	messages	14	14	2.10
Get It Now Downloads	downloads	1	1	3.49
<b>Total Data</b>				<b>\$6.79</b>
<b>Total Usage Charges</b>				<b>\$6.79</b>

**Detail for Jennifer : 206-200-4**

**Voice**

Day	Time	Area	Usage	Rate	Amount	Plan	Usage	Rate	Amount
01/15	01:00	206-200-4	1000	0.00	0.00	SharePlan	1000	0.00	0.00
01/15	01:00	206-200-4	1000	0.00	0.00	SharePlan	1000	0.00	0.00
01/15	01:00	206-200-4	1000	0.00	0.00	SharePlan	1000	0.00	0.00
01/15	01:00	206-200-4	1000	0.00	0.00	SharePlan	1000	0.00	0.00

Page 9 of 36

### Usage Charges

Voice		Allowance	Used	Billable	Cost
SharePlan	minutes	2100 (shared)	879	---	---
Promotional	minutes		143	---	---
IN Calling	minutes	unlimited	428	---	---
<b>Total Voice</b>					<b>\$0.00</b>
<b>Data</b>					
TXT Messaging - Sent	messages	---	8	8	1.20
TXT Messaging - Rcv'd	messages	---	14	14	2.10
Get It Now Downloads	downloads	---	1	1	3.49
<b>Total Data</b>					<b>\$6.79</b>
<b>Total Usage Charges</b>					<b>\$6.79</b>

Note the \$3.49 charge for the download, in the "Usage" section of the bill.

# Misrepresented Charges

## Detail section of Bill

This line indicates a “download” was done on 1/16/08 at 12:13A.

In truth, this application was downloaded 7 months earlier, and was never used since then.

Upon inquiry, Verizon customer service explained this was actually a subscription to the game shown. The customer was unaware of the subscription. The customer thought they had bought the right to use the game for 1 month.

Page 18 of 36

### Data

Date	Time	Usage Type	Description	Min.	Application Price	Total
1/16	12:13A	Get It Now Download	PAC-MAN by Namco	---	3.49	3.49



# Misrepresented Charges

- Multiple aspects of misrepresentation:
  - Charge appears in “Usage” section of bill
    - This was a subscription, and not actual usage of the phone. This charge would have appeared even if the phone was broken or dead.
  - Transaction is labeled as “Get it Now”
    - More accurately would have been “Got it 7 months ago”
  - Transaction is labeled as a download
    - The game was downloaded 7 months earlier. Nothing had been downloaded in this billing cycle. Playing the game does not cause wireless data transfer, download, upload, or usage.
  - Transaction is labeled with a date and time
    - Makes the transaction appear legitimate when actually the phone was not in use at that date & time.
  - Transaction is not labeled as a “subscription”.
    - No indication of recurring nature
  - Transaction fails to indicate the start and end period of time the subscription period is for.

# Misrepresented Charges

- Multiple aspects of misrepresentation: (Continued)
  - Information detailing the download does not appear in the summarized paper billing but is only available if the subscriber is sufficiently motivated to log on, download, and read through a 35 page bill.
  - And even this does not indicate it is a subscription to a service.



# Misrepresented Charges

## ■ Contributing Factors

- A request to customer service to obtain a credit for the last 7 months of this transaction was denied on 2/2/08, instead only a credit of 1 month was applied.
- A second request to customer service on 2/3/08 (supervisor) outlining the failure to comply with the truth-in-billing act still failed to obtain satisfaction, and a credit of only one additional month.

# Misrepresented Charges

- Contributing Factors
  - Another request on 2/23/2009 for the 2009 incident met with no financial satisfaction for the past recurring fees for the 2<sup>nd</sup> incident.
- Total fees lost by this customer over both episodes:
  - Roughly \$100 plus irritation

# Alleged Law Violations: Summary

- Misrepresented charges – Failure to comply with the Truth-In-Billing Act.
- Failure to notify of recurring charge –  
??? Some consumer protection law ???

# Reference:

- USC Title 47: Telecommunication
- PART 64—MISCELLANEOUS RULES RELATING TO COMMON CARRIERS
- Subpart Y—Truth-in-Billing Requirements for Common Carriers
- **§ 64.2401 Truth-in-Billing Requirements.**
- (3)(b) (b) *Descriptions of billed charges.* Charges contained on telephone bills must be accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered. The description must be sufficiently clear in presentation and specific enough in content so that customers can accurately assess that the services for which they are billed correspond to those that they have requested and received, and that the costs assessed for those services conform to their understanding of the price charged.



# Customer Base Impact:

- 72M Wireless customers.
- Most telephones support “Get It Now”.
- Some of these customers may be currently unaware of a recurring subscription charge on their bill.
- Assumptions:
  - Class Size: 1 to 25% of customers of 3B revenue
  - Wrongful charge duration: 3 to 24 months
  - Wrongful charge amount: \$3.50/month + taxes



# Possible Wrongful Charge Impact:

	Low	Med	High
Customer Base	1%	5%	25%
Duration	3mo	6mo	24mo
Impact*	\$7M	\$73M	1.4B

\* Taxes paid on undesired service not included

# Other Notes

- The Get It Now service is actually provided through a supplier relationship with another company that Verizon contracts with. (as of 2/2008)